
**DEPARTMENT
POLICY**

Housing affordability is a condition of eligibility for State Emergency Relief (SER) and applies only to Relocation Services (ERM 303) and Home Ownership Services and Home Repairs (ERM 304). Housing affordability does not apply to other SER services.

Requirements

In this item, total housing obligation means the total amount the SER group must pay for rent, house payment, mobile home lot rent, property taxes and required insurance premiums. Renters can have a higher total housing obligation if heat, electricity and/or water/cooking gas are included.

Note: See chart at the end of this item or ERM 100, SER Quick Reference Charts.

Authorize SER for services only if the SER group has sufficient income to meet ongoing housing expenses. An SER group that cannot afford to pay their ongoing housing costs plus any utility obligations will not be able to retain their housing, even if SER is authorized.

Deny SER if the group does not have sufficient income to meet their total housing obligation. The total housing obligation cannot exceed 75 percent of the group's total net countable income.

Exception

A person/family who receives a voucher from one of the following meets affordability requirements:

- Family Re-Housing Program (replaces Rapid Re-Housing Initiative which ended 5/31/2015) effective 10/1/2015.

Rural Homeless Permanent Supportive Housing Initiative (RPSH). These clients should not be denied because they do not have the income for the rent. Because the program pays FMR (fair market rent) with the client paying 30 percent of their income, only the 30 percent should be counted as their obligation. Also, if the person does not have any income or 30 percent is too high, exceptions can and are granted by the MSHDA agents to waive the 30 percent contribution fee.

**Affordability
Calculation**

Determine whether an SER group meets the Housing Affordability requirement:

- Multiply the group's total net countable income by 75 percent. The result is the maximum total housing obligation the group can have based on their income, and be eligible for SER housing services, and
- Refer to the table at the end of this item for any increases in the basic 75 percent test if the group is renting and heat, electric or water/cooking gas is included in the rent. Multiply the resulting percentage by the group's total net countable income. The result is the absolute total housing obligation the group can have and be eligible for SER housing services.

Bridges documents affordability on the SER budget.

Examples

A SER group is receiving RSDI of \$550. They are responsible for paying their own heat, electric and water bills. Multiply \$550 by 75 percent for a total of \$412.50. Drop the cents. The maximum total housing obligation this group can have and be eligible for SER relocation, home ownership or home repair is \$412.

A SER group receiving FIP has total net income of \$420. Their rent includes heat, electricity and water. Add 25 percent to the basic 75 percent from the table at the end of this item. Multiply \$420 by 100 percent for a total of \$420. The maximum total housing obligation this group can have and be eligible for SER relocation, home ownership or home repair is \$420.

A SER group receives FIP of \$420 plus \$100 in kind income each month. They pay all their own utilities. Since the in kind income is excluded (ERM 206), multiply \$420 by 75 percent. \$315 is the maximum total housing obligation the group can have and be eligible for SER relocation, home ownership or home repair.

A SER group of 2 adults has no income. Their housing costs \$125 per month, nothing included. Multiply zero income times 75 percent for a total of \$0. The maximum total housing obligation this group can have and be eligible for SER relocation, home ownership or home repair is zero.

**BASIC 75
PERCENT
HOUSING COST
STANDARD
INCREASES**

INCREASES IN THE BASIC 75% HOUSING COST STANDARD	
Utility Include in the Rent	Add this percentage to the basic 75% housing cost standard
Heat	15%
Electric	5%
Water or Cooking Gas, or Both	5%

**SER QUICK
REFERENCE
CHARTS**

See ERM 100, SER Quick Reference Charts, for quick reference charts to SER services, payment maximums and coding.

LEGAL BASE

Mich Admin Code, R 400.7001 et seq.